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A JOINT RESOLUTION

PROPOSING TO AMEND THE CONSTITUTION OF NEW MEXICO TO PROVIDE FOR A LIMITED ADDITIONAL DISTRIBUTION FROM THE PERMANENT FUNDS TO PROVIDE MORE MONEY FOR THE PUBLIC SCHOOLS TO IMPLEMENT AND MAINTAIN EDUCATIONAL REFORMS AND FOR OTHER PERMANENT FUND RECIPIENTS.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. It is proposed to amend Article 12, Section 7 of the constitution of New Mexico to read:

"A. As used in this section, "fund" means the permanent school fund described in Section 2 of this article and all other permanent funds derived from lands granted or confirmed to the state by the act of congress of June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and state government and be admitted into the union on an equal footing with the original states."

B. The fund shall be invested by the state investment officer in accordance with policy regulations promulgated by the state investment council.

C. In making investments, the state investment officer, under the supervision of the state investment council, shall exercise the judgment and care under the circumstances then prevailing that businessmen of ordinary prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

D. The legislature may establish criteria for investing the fund if the criteria are enacted by a three-fourths vote of the members elected to each house, but investment of the fund is subject to the following restrictions:

(1) not more than sixty-five percent of the book value of the fund shall be invested at any given time in corporate stocks;

(2) not more than ten percent of the voting stock of a

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1 corporation shall be held;

2 (3) stocks eligible for purchase shall be restricted to those  
3 stocks of businesses listed upon a national stock exchange or included in a nationally  
4 recognized list of stocks; and

5 (4) not more than fifteen percent of the book value of the fund  
6 may be invested in international securities at any single time.

7 E. All additions to the fund and all earnings, including interest,  
8 dividends and capital gains from investment of the fund shall be credited to the fund.

9 F. Except as provided in Subsection G of this section, the annual  
10 distributions from the fund shall be five percent of the average of the year-end market  
11 values of the fund for the immediately preceding five calendar years.

12 G. In addition to the annual distribution made pursuant to Subsection  
13 F of this section, unless suspended pursuant to Subsection H of this section, an  
14 additional annual distribution shall be made pursuant to the following schedule;  
15 provided that no distribution shall be made pursuant to the provisions of this  
16 subsection in any fiscal year if the average of the year-end market values of the fund  
17 for the immediately preceding five calendar years is less than five billion eight hundred  
18 million dollars (\$5,800,000,000):

19 (1) in fiscal years 2005 through 2012, an amount equal to  
20 eight-tenths percent of the average of the year-end market values of the fund for the  
21 immediately preceding five calendar years; provided that any additional distribution  
22 from the permanent school fund pursuant to this paragraph shall be used to implement  
23 and maintain educational reforms as provided by law; and

24 (2) in fiscal years 2013 through 2016, an amount equal to one-  
25 half percent of the average of the year-end market values of the fund for the  
immediately preceding five calendar years; provided that any additional distribution  
from the permanent school fund pursuant to this paragraph shall be used to implement  
and maintain educational reforms as provided by law.

H. The legislature, by a three-fifths' vote of the members elected to

1 each house, may suspend any additional distribution provided for in Subsection G of  
2 this section."

3 Section 2. The amendment proposed by this resolution shall be submitted to  
4 the people for their approval or rejection at the next general election or at any special  
5 election prior to that date that may be called for that purpose.

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